

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, California 92223
Minutes of the
Board Finance and Budget Workshop
July 24, 2017

Directors Present: David Fenn, President
Ron Duncan, Vice President
Lenny Stephenson, Treasurer
Blair Ball, Director
Steve Lehtonen, Director
Mike Thompson, Director

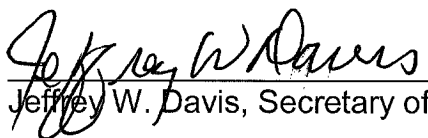
Directors Attended by Teleconference:
David Castaldo, Director

Staff and Consultants Present:
Jeff Davis, General Manager
Tom Todd, Jr., Finance Manager

1. **Call to Order, Flag Salute and Roll Call:** The Finance and Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was called to order by Treasurer Lenny Stephenson at 4:00 pm, July 24, 2017, in the Agency Conference Room at 1210 Beaumont Avenue, Beaumont, California. Director Stephenson led the Pledge of Allegiance to the flag. A quorum was present.
2. **Adoption and Adjustment of Agenda:** The agenda was adopted as published.
3. **Public Comment:** No members of the public requested to speak at this time.
4. **New Business:**
 - A. **Ratification of Paid Invoices and Monthly Payroll for June, 2017 by Reviewing Check History Reports in Detail:** After review and discussion, a motion was made by Director Duncan, seconded by Director Ball, to recommend that the Board ratify paid monthly invoices of \$943,242.29 and payroll of \$34,741.43 for the month of June, 2017, for a combined total of \$977,983.72. The motion passed by roll call, 7 in favor, no opposed.
 - B. **Review Pending Legal Invoices:** After review and discussion, a motion was made by Director Ball, seconded by Director Duncan, to recommend that the Board approve payment of the pending legal invoices for June, 2017. The motion passed by roll call, 7 in favor, no opposed.
 - C. **Review of June, 2017 Bank Reconciliation:** After review and discussion, a motion was made by President Fenn, seconded by Director Thompson, to recommend that the Board acknowledge receipt of the Wells Fargo bank

reconciliation for June, 2017 as presented. The motion passed by roll call, 7 in favor, no opposed.

- D. Review of Unaudited Budget Report for June, 2017: After review and discussion, a motion was made by President Fenn, seconded by Director Thompson, to recommend that the Board acknowledge receipt of the Unaudited Budget Report for June, 2017. The motion passed by roll call, 7 in favor, no opposed.
- E. Review of Proposed Debt Service Fund Budget for FY 2017-18: General Manager Jeff Davis reviewed the process of approving the Debt Service budget and setting the tax rate, and turned the meeting over to Finance Manager Tom Todd to review the budget in detail.
- F. Discussion about FY 2017-18 Tax Rate: General Manager Davis continued the discussion by introducing the handout, which Finance Manager Todd distributed. General Manager Davis reviewed the chart of estimated Debt Service expenses compared to estimated income for future years, and described the reasoning and the assumptions associated with each set of columns. There was much discussion regarding whether to keep the current tax rate or to lower it, based on the data presented. After the discussion, a motion was made by Director Stephenson, seconded by Director Duncan, to recommend that the Board approve the FY 2017-18 Debt Service budget and set the tax rate for FY 2017-18 at 18.5 cents. The motion passed by roll call, Directors Castaldo, Duncan, Lehtonen, and Stephenson in favor, Directors Ball, Fenn and Thompson opposed.
5. **Announcements:** Director Stephenson referred to the announcements:
- A. San Gorgonio Pass Regional Water Alliance, July 26, 2017
 - 1. Regular Meeting at 5:30 pm – Banning City Hall
 - B. Regular Board Meeting, August 7, 2017, 7:00 pm
6. **Adjournment:** The Finance and Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was adjourned at 5:30 pm.



Jeffrey W. Davis, Secretary of the Board